

INDOCHINA

- I. In Laos, the Communist Pathet Lao dissidents are steadily expanding their military and subversive capabilities throughout the country and remain able to intensify their present low-level guerrilla effort against the government at any time.
- A. To meet this threat, the new Somsanith government in Vientiane is trying to assure the loyalty of the rural masses by pushing various political and social programs, a large part of the responsibility for which is assumed by the 29,000-man Lao army.
1. In some areas six-man military teams are sent into rural districts to teach such subjects as sanitation, and to spread government propaganda.
2. In other areas the army must restore government authority before such programs are possible.
- B. The army, under a joint French-US training program since last September, is making progress toward becoming an efficient organization, but much remains to be done.
- C. The French, however, appear adamant in their insistence on resuming sole responsibility for training when the present agreement for joint training expires on 1 September; but they apparently are willing to accept a gradual phaseout of American personnel over a period of several months.
1. Ambassador Brown, en route to his new post in Vientiane, was told by the French in Paris last week that De Gaulle in the last three months has taken a direct, personal interest in Indochina affairs, and the US could expect a strong French nationalist line in Indochina.

~~SECRET~~

Approved For Release 2000/08/29 : CIA-RDP79R00890A001200070012-4

2. Aside from considerations of prestige, Paris argues that

a purely French training effort would be less likely to precipitate Communist reaction.

D. Meanwhile, Laotian leaders have renewed their maneuvering to replace the French with Americans in the military training program.

II. Cambodia's orientation toward the Sino-Soviet bloc is increasing under Prince Sihanouk's leadership.

A. Sihanouk is now threatening to accept Communist bloc military equipment, unless the US provides more and better arms than delivered in the past.

1. French now provide training while US supplies equipment.

2. Sihanouk claims Cambodia needs additional means to defend itself against its "imperialist" neighbors--South Vietnam, Thailand and Laos.

3. He ascribes the hostility of these neighbors to overarming by the US and suspects the US of secretly desiring to "sink" Cambodia.

B. Sihanouk's threats are probably not all bluff, and he probably can get bloc arms for the asking.

1. Peiping reportedly has offered to supply modern arms, including jet aircraft.

2. Cambodia has drawn up contingency plans to rearm its armed forces with bloc weapons.

3. A Cambodian mission in Prague is believed to be negotiating some kind of arms deal with the Czechs.

C. The intensity of Sihanouk's public criticism of the US leads to speculation he may already be secretly committed to accept bloc arms.

~~SECRET~~

~~SECRET~~

2. Sihanouk's attitude, moreover, appears predicated on the belief that Communist China is the "wave of the future" in Asia.

D. Sihanouk has just sent three of his sons to Communist China for education.

E. Sihanouk's strategy apparently is to frighten South Vietnam and Thailand with the specter of Communist intervention so as to end their support of Cambodian dissident elements.

III. Thailand has extended the olive branch to Cambodia and apparently has shelved its anti-Sihanouk operations, but South Vietnam is still planning paramilitary activities against Sihanouk.

A. Saigon's tough attitude stems from the fact that the Vietnamese Communists are using Cambodia as a staging area for their increasingly aggressive guerrilla operations in South Vietnam.

B. Both Bangkok and Saigon are watching closely to see how the US reacts to Sihanouk's "ultimatum."

1. Thai Interior Minister General Prapat says if Sihanouk is successful it will show that Thailand has been using the wrong tactics by politely asking the US for more arms.

IV. In Communist North Vietnam, the establishment on 15 July of a cabinet-level National Reunification Commission, headed by a major-general, reflects the growing emphasis that Hanoi places on the "struggle" for South Vietnam.

A. Although lip-service will continue to be given to "peaceful" reunification, North Vietnam can be expected to increase its subversive and guerrilla activities at every possible opportunity.

~~SECRET~~

~~SECRET~~

Approved For Release 2000/08/29 : CIA-RDP79R00890A001200070012-4

- V. In Burma, where U Nu resumed the premiership in April after a year and a half of army rule under General Ne Win, the business of government is bogging down.
- A. A committee established by Nu to settle controversial policy questions is overburdened with detail.
- B. Nu is also likely to be more receptive to bloc blandishments than was Ne Win.

Approved For Release 2000/08/29 : CIA-RDP79R00890A001200070012-4

~~SECRET~~